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FM THE WHITE HOUSE TOHAK 48

PARIS

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DELIVER OPENING OF BUSINESS

TOHAK 48

ON-FILE OMB RELEASE INSTRUCTIONS
APPLY

MEMORANDUM FOR: GENERAL HAIG

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

FROM: PHIL ODEEN

SUBJECT: STOCKPILE GUIDANCE

OMB NEEDS A PROMPT DECISION OF THE STOCKPILE GUIDANCE AS IT AFFECTS
FY 74 REVENUE FORECASTS.

WITH RESPECT TO WHY THIS ISSUE NEEDS TO BE ADDRESSED, THERE ARE
AT LEAST FOUR REASONS: (1) PRESENT GUIDANCE IS POORLY DEFINED AND
ASPECTS MAKE LITTLE SENSE; (2) CONGRESSIONAL COMMITTEES HAVE BEEN
CRITICAL OF THE INADEQUACIES OF CURRENT GUIDANCE AND HAVE BEEN
PROMISED A FULLER RATIONALE FOR THE PROGRAM NEXT YEAR -- THIS HAS
HELD UP SALES AUTHORITY; (3) SALES OF UNNEEDED MATERIEL GENERATES
REVENUE WHICH CAN BE USED FOR FAR MORE USEFUL DEFENSE OR NON-
DEFENSE PURPOSES; AND, (4) THE PRESIDENT DIRECTED US TO REVIEW
THE STOCKPILE PROGRAM IN ORDER TO FIND A RATIONAL WAY TO CUT BACK
ON THE INVENTORY.

BUREAUCRATICALLY, THE STUDY HAS BEEN REVIEWED AND ACCEPTED BY
THE CONCERNED AGENCIES AND AGENCY POSITIONS ELICITED. FAILURE TO
ACT ON THE ISSUE REFLECTS POORLY ON THE NSC SYSTEM.

THE RECOMMENDED OPTION IS A PRUDENT CHOICE (ENDORSED BY OSD AND
JCS). EXCEPT FOR A FEW BUREAUCRATS AT OEP WHO SEE THE STOCKPOLE
AS IMPORTANT TO THEIR JOB SECURITY, I FORESEE NO PROBLEM IF THE
PRESIDENT SELECTS OUR SUGGESTED OPTION.

RECOMMEND THAT YOU URGE HAK TO ACT ON THIS PAPER DURING PARIS
STAY OR ON RETURN TRIP IF POSSIBLE.

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